



Director of  
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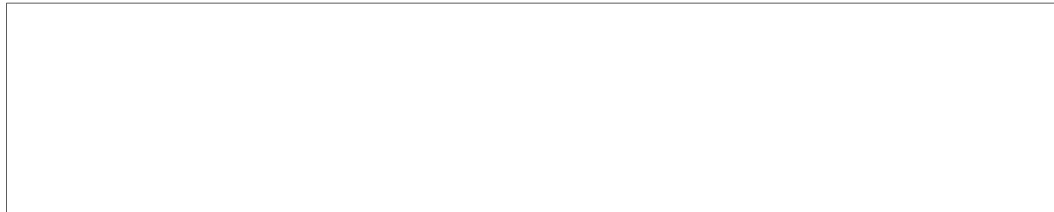
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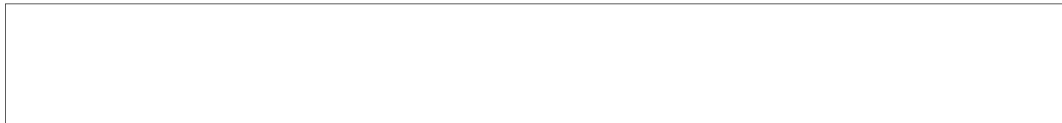
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POLAND: Increasing Ferment

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*The strong undercurrent of tension is producing a greater number of more serious protests.* [redacted]

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Comment: Ferment over the last two weeks stems largely from the price hikes on 1 February and from a pervasive unhappiness over martial law. Although unrest is likely to increase, the regime for now seems able to maintain control. [redacted]

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The incidents thus far have been scattered, short, and not widely known. Some Poles, tired of constant tension, probably are reluctant to risk their personal welfare. The regime hopes that its willingness to use force will intimidate those inclined to resist. [redacted]

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In the coming months, however, there may be increased resistance when the full effects of the price increases are felt and the regime implements other unpopular austerity measures. If the government continues to reduce restrictions, it will make it easier for militants to organize. Efforts by the regime to control the situation by force may only create additional resistance, especially if the thinly stretched security services are unable to prevent or suppress demonstrations. [redacted]

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USSR: Status of Pentecostals

*For the first time, there is some prospect for satisfactorily resolving the case of the two Pentecostal families who entered the US Embassy in Moscow over three years ago.*

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Lidiya Vashchenko, the Pentecostal who left the Embassy and broke her hunger strike in a hospital late last month, has left the hospital for her hometown to apply for permission to emigrate. The six Pentecostals remaining in the Embassy said yesterday that they would follow her example and return to their homes if she is successful.

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Comment: By returning home and applying for an exit visa, Vashchenko will eliminate the major reason authorities have cited in refusing her request to emigrate. The Soviets do not want the case to become an issue at the Russian Orthodox Patriarch's World Peace Conference, a Soviet-sponsored event scheduled to open in Moscow on 10 May. To avoid additional Western attention, the Soviets probably will let Vashchenko leave, if her determination does not falter.

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The Soviets, however, are likely to accompany such a concession with intensified repression of the Pentecostals movement in an effort to minimize the domestic impact of the affair. Reprisals against other Pentecostals have increased in recent weeks.

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FINLAND: Communist Party in Disarray

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*The Finnish Communist Party faces a possible complete break between its liberal and Stalinist factions and will convene an extraordinary party congress in May to try to reconcile the two.* [redacted]

//This announcement follows the party's unprecedentedly poor performance in the presidential election last month and an open split in its parliamentary delegation. The deepening division is causing disillusionment with Party Chairman Saarinen and prompting demands from local party organizations for changes in the party leadership.//

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Comment: //There is a growing willingness in the party to ignore Soviet guidance, and a formal split would complicate Soviet attempts to wield influence in Finnish politics. Soviet officials will continue their efforts to hold the party together. Although there is a good chance that the party will avert a split in May, it probably will continue to decline in popularity.// [redacted]

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ISRAEL: Ready To Activate Reservists

[redacted] a Western military attache in Tel Aviv reported on Tuesday that selected Israeli Army and Air Force reservists have been alerted. The callup involves mostly technicians but also includes some tank crews. Some have been notified to report immediately, and others ordered to stand by and instructed to remain at home this Sunday, a regular workday in Israel.

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Comment: //The Israelis have been recalling selected reservists for short periods since the beginning of their military buildup in the north last December, but the order for reservists to stand by on Sunday is unusual.//

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CHAD: Deadline for OAU Pullout

African leaders trying to ease factional turmoil in Chad ended their talks in Nairobi yesterday by adopting a plan calling for a cease-fire and elections to be followed by withdrawal of OAU troops by the end of June. Chadian President Goukouni attended the summit but was not present when the plan was proposed. Rebel leader Habre has openly warned he will order his forces to attack N'Djamena if negotiations with Goukouni do not begin soon. [REDACTED]

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Comment: Goukouni is still unwilling to talk with Habre and is likely to reject the plan out of hand. If he does, it will give OAU officials a face-saving way to wash their hands of the Chadian issue. The withdrawal of the peacekeeping force or a rebel advance on the capital could open the way for Goukouni to appeal again for help from Libyan leader Qadhafi, who would exact a high price if he decided to send troops back to Chad. [REDACTED]

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[redacted]

## FRANCE: Nationalization Bill Enacted

The Constitutional Council approved the government's revised nationalization bill yesterday, and Prime Minister Pierre Mauroy immediately signed it into law. The revised legislation flows out of the Council's finding in mid-January that several articles of the original were unconstitutional. The government responded with a simpler, more generous compensation formula, which it estimates will increase the shareholders' return by 20 percent, to about \$7 billion. [redacted]

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Comment: The Parliament's quick action vindicates Mauroy's insistence on the need to be forthcoming in meeting the Council's objections. At the same time, however, the Prime Minister's invocation of party discipline to keep a group of more radical Socialists in the National Assembly in line may complicate his future dealings with some members of his own majority. Mauroy will move quickly to name chief executives for the newly nationalized companies and banks, hoping to impart to their activities the sense of direction that has been missing since the elections last spring. [redacted]

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HONDURAS: Government-Military Relations  
[redacted]

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Comment: Suazo recognizes that the most important near-term consideration in the survival of his government is its acceptance by the military. Although many officers regarded Suazo as a leftist and a threat to their interests before the election in November, the President's actions to date have created a cooperative atmosphere that Alvarez and other officers should find reassuring. The relationship has not yet been tested, however, by debate over tough policy questions. [redacted]

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[redacted]

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KAMPUCHEA: Leadership Change

Chan Si, who has been unofficially acting as Chairman of the Council of Ministers since the ouster of Pen Sovan in December, has been confirmed in the position by the Council this week. The post is the highest in the Phnom Penh government. [REDACTED]

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Comment: //Hanoi may be grooming Chan Si to replace party leader Heng Samrin, in whom it has little confidence. Chan Si's 15-year residence in Vietnam and his extensive contacts with the Vietnamese as Army Political Commissar and later Defense Minister probably makes him more acceptable to them. His apparent ties to figures from the former Pol Pot regime who are in the current Phnom Penh government could make him acceptable to that group as well.// [REDACTED]

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SPECIAL ANALYSIS

CHINA: The Political Pace Quickens

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*Vice Chairman Deng Xiaoping's continued absence from public view, rumors about his health, and a senior official's comment last weekend that Deng has withdrawn to "the second line" have led to speculation that the most powerful man in China has suffered a political setback. It is more likely, however, that Deng is laying the groundwork for a new move against opponents who have hindered his policies and threaten his arrangements for succession.*

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Despite the anomalies surrounding Deng's recent activities, controversial programs and persons closely associated with him continue to advance. A campaign to remove remaining leftists in the bureaucracy is gathering momentum, and the reorganization of the state bureaucracy is moving forward with the retirement and resignation of some older officials in favor of younger and more capable cadres. The nationwide anticorruption campaign that is focusing on party officials opposing or abusing Deng's reforms may eventually implicate senior officials in Beijing.

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Meanwhile, Deng's brother--whose status has reflected Deng's in the past--has been promoted to Vice Governor of Hubei Province. In Fujian Province, one of Deng's associates who has been acting chief since last year has been formally named first party secretary.

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[redacted]

Deng appears to be trying to lay the groundwork for the 12th Party Congress, constitutionally required during 1982. He long has hoped to use the Congress by packing its Central Committee with supporters and to strengthen the positions of his chosen successors, Party Chairman Hu Yaobang and Premier Zhao Ziyang. [redacted]

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To succeed, Deng must remove opponents from the upper and middle levels of the party and state bureaucracies before the Congress. These splintered but strong opponents include:

- Some senior party and government bureaucrats who previously have undercut Deng's political and economic policies.
- Some military figures unhappy with the retreat from Maoist values.
- Provincial leaders who see their positions threatened by Deng's determination to remove the aged, the corrupt, the incompetent, and the politically suspect. [redacted]

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The roundabout manner in which Deng is pursuing his campaign indicates that he does not have the full support of the top leadership, which may explain some of the anomalies surrounding his recent behavior. His unexplained absence from the capital gives rise to rumors of leadership instability and demonstrates his importance to his opponents. [redacted]

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Deng's movement to the "second line" seems to be a ploy to maneuver elderly and frequently contentious party leaders into less active roles by preventing them from claiming that Deng adheres to a double standard in seeking their retirements. Deng used a similar tactic in 1980 when he resigned as vice premier and took the Premier and several other vice premiers with him. Deng's lower profile also allows Hu and Zhao to emerge from his shadow publicly while he continues to guide policy from behind the scenes. [redacted]

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[redacted]

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Political activity will pick up as planning for the Congress advances. With so much at stake, leftists and others skeptical of Deng's reforms will resist his programs. A similar push for reform was thwarted in late 1980 when Deng's opponents exploited economic troubles and social instability to warn that his policies could create a situation similar to the one in Poland. [REDACTED]

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Deng's initiatives will almost certainly force his opponents to attempt to undermine him by attacking his weak points. Deng will strive to prevent this by continuing to nurture the consensus on the treatment of intellectuals, the extent of the anti-Mao effort, and other issues that he worked out with other party leaders last year. Beijing's policy toward the US and Taiwan is a particularly sensitive matter, and Deng will protect himself by adhering to his hardline position on it. [REDACTED]

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Now that he has ostensibly retreated to the "second line," Deng will be obliged to keep a low profile for the short term. He may nevertheless resurface soon to inspire support for his goals and dispel rumors about his political or physical decline. [REDACTED]

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